

*Administration of Barack H. Obama, 2010*

**Remarks at Industrial Support Inc., and a Question-and-Answer Session in Buffalo, New York**

*May 13, 2010*

*The President.* Thank you, everybody. Hello, hello, hello. Hey! It's good to be in Buffalo. Everybody, please have a seat, have a seat. Get comfortable.

I'm sorry for the delay. I—this was a secret; I only told Dave, but then I thought I probably should tell all of you that I had to go out and try those wings before I came out. *[Laughter]* So if you see some of the sauce—*[laughter]*—that's why. And I can vouch for Duff's crispy medium; that's what I had. Very nice. Outstanding.

Couple of acknowledgments I want to make. First of all, Buffalo Mayor Byron Brown is here. Where is he? Byron, stand up. Congresswoman Louise Slaughter is here. Your own Congressman from this district, Brian Higgins, is here. Congressman Chris Lee is here. And I brought one of my outstanding members of my Cabinet, who is working hard every day with businesses like this to help grow the economy, Karen Mills, my Small Business Administrator is here. Please give her a big round of applause.

So this is my first visit to western New York as President. And so it is just a thrill to be here. I'm glad that it's not snowing. Thank you. *[Laughter]* Last Sunday, right? You guys still got snow? Sheesh. *[Laughter]* I thought Chicago was bad. This is worse.

But I'm really thrilled to be here, partly because it gives me a chance to get out of Washington. And I've been trying to make a habit of that. About once a week or so, I try to take a trip outside of Washington. Now, don't get me wrong, Washington is a beautiful city. I've got a really nice office. *[Laughter]* And I live above the store, so the commute is really short. *[Laughter]*

But you've heard of being in the bubble. When you're in Washington, sometimes it's just hard to hear anything else except the clamor of politics. And that clamor can drown out the voices of the American people. So I'm not going to give a long speech today. I actually want to take some time to take a few questions from you, hear about your concerns, your hopes, what opportunities you see out there.

But before I do, I do want to say a few words about the thing that I know is in the front and center of everybody's mind, and that's the state of our economy.

Now, I don't need to tell all of you that we're still emerging from one of the worst recessions in our history. And it's been tough everywhere, but cities like Buffalo have been especially hard-hit. Now, even before the most recent downturn began—years before—you were seeing jobs disappear and factories shut their doors. Costs, family expenses went up, but wages, they flatlined, they didn't go up. And that's tough on families, and that's devastating on communities.

So breaking our economic freefall was job number one when I took office. I want everybody to remember, because sometimes we've got a selective memory here, when I took office, we were losing 750,000 jobs a month. Our economy had shrunk, the quarter I came in, 6 percent. Experts of all political stripes were warning of another great depression. That wasn't that long ago, but it's easy to forget just how fragile things are and how scared people were.

And so we had to take immediate steps to stop the crisis. And some of those steps weren't particularly popular.

I had just inherited a \$1.3 trillion deficit from the previous administration, so the last thing I wanted to do was to spend money on a recovery package or help the American auto industry keep its doors open or prevent the collapse of Wall Street banks whose irresponsibility had helped cause this crisis. But what I knew was if I didn't act boldly and I didn't act quickly, if we didn't defy the politics of the moment and do what was necessary, we could have risked an even greater disaster.

And the other thing we weren't going to do is give in to the partisan posturing in Washington, because half the time up there, all everybody is worried about is what does the poll say and making calculations based on what's good for the next election instead of what is good for the next generation.

And frankly, I had one side of the aisle just sit on the sidelines as the crisis unfolded. And if we had taken that position, just thinking about what was good for my politics, millions more Americans would have lost their jobs and their businesses and their homes.

But Buffalo, I did not run for President to preside over America's decline. I didn't run for President to watch the erosion of the middle class continue. I ran for President to keep the American Dream alive in our time, for our kids and our grandkids and the next generation.

So we met our responsibilities; we did what the moment required. And I won't stand here and pretend that we've climbed all the way out of the hole. There are too many folks right here in Buffalo and all across the country who are still hurting.

I read too many letters each night from folks who are still hurting, they're still out of work, so I know things are still tough out there for a lot of folks. And, you know, economists have all kinds of fancy formulas and mathematical equations to measure the exact moment that the recession ended. And it's great that the stock market's bounced back, but if you're still looking for a job out there, it's still a recession. If you can't pay your bills or your mortgage, it's still a recession. No matter what the economists say, it's not a real recovery until people feel it in their own lives, until Americans who want work can find it and until families can afford to pay their bills and send their kids to college.

So that's what we're working for. That's our goal. But I want to just say to Buffalo, I want to say to all of you and I want to say to America, we can say beyond a shadow of a doubt, today, we are headed in the right direction. We are headed in the right direction.

All those tough steps we took, they're working. Despite all the naysayers who were predicting failure a year ago, our economy is growing again. Last month, we had the strongest job growth that we had seen in years. And by the way, almost all of it was in the private sector, and a bunch of it was manufacturing. So this month was better than last month. Next month's going to be stronger than this month. And next year's going to be better than this year. Last month, we gained 290,000 jobs; that was the largest increase in 4 years. We've now gained jobs 4 months in a row right here in the United States. Last month brought the largest increase in manufacturing employment since 1998—strongest growth in manufacturing in 12 years. That's a good sign for companies like this one.

I was talking to Dave. Dave was telling me about the rebound in orders that we've seen here, right here at this company. The question is, now, how do we keep that momentum going? How do we keep adding more and more jobs?

Now, we know that the Government has to play a role in meeting this goal, but we also know that role is limited. Government is not the true engine of job creation and economic growth in this country, businesses are, especially small businesses like this one.

So America's small-business owners, people like Dave Sullivan, have always been the backbone of America's economy. These entrepreneurial pioneers, they embody the spirit of possibility, tireless work ethic, simple hope for something better that lies at the heart of the American ideal. These are the men and women willing to take a chance on their dream. They've got good ideas, and then they've got the drive to follow through. They've started mom-and-pop stores, and they've got garages they open up, and they start tinkering, and suddenly, that leads to some of America's biggest, most successful businesses. Ordinary Americans with a dream to start their own business, they create most of the jobs that keep our workers employed. In fact, over the past decade and a half, America's small businesses have created 65 percent of all new jobs in this country.

Now, the problem is, is that our small businesses have also been some of the hardest hit by this recession. From the middle of 2007 through the end of 2008, small businesses lost 2.4 million jobs. And because banks shrunk from lending in the midst of the financial crisis, it's been difficult for entrepreneurs to take out the loans that they need to start a business. And for those who do own a small business, it's difficult to finance inventories and make payroll or expand if things are going well.

So government can't create jobs, but it can create the conditions for small businesses to grow and thrive and hire more workers. Government can't guarantee a company's success, but it can knock down the barriers that prevent small-business owners from getting loans or investing in the future. And that's exactly what we've been doing.

When Dave wanted to expand this company last year, he received a loan from the Small Business Administration that was part of the Recovery Act, part of the stimulus. It's a loan that allowed him to pay the bills and purchase new equipment. Last fall, he was even able to increase his workforce. And today, he feels optimistic that he'll be able to hire more workers in the near future.

Bill Puglisi and his brother Rick are also here with us today. Where are Bill and Rick? Where are they? There they are right there. All right. They run—good to see you guys. They run a small business called Imperial Textile. And thanks to the SBA loan that they received, they didn't have to lay any workers off last year. In fact, they were able—they were even able to purchase a new building. Is that right? So today, they're starting to look to hire again. You guys can sit down. *[Laughter]*

All across America, we've taken steps like these to help companies grow and add jobs. Last year, we enacted seven tax cuts for America's small businesses, as well as what we call the Making Work Pay tax credit that goes to the vast majority of small-business owners. So, so far, the Recovery Act has supported over 63,000 loans to small businesses; that's more than \$26 billion in new lending. More than 1,200 banks and credit unions that had stopped issuing SBA loans when the financial crisis hit are lending again today. More than \$7.5 billion in Federal Recovery Act contracts are now going to small businesses.

Right now a series of additional tax incentives and other steps to promote hiring are going to take effect. Because of a bill that I signed into law a few weeks ago, businesses are now eligible for tax cuts for hiring unemployed workers. Companies are able to write off more of their investments in new equipment. And as part of health care reform, 4 million small

businesses recently received a postcard in their mailbox telling them that they could be eligible for a health care tax cut this year. That's worth maybe tens of thousands of dollars for some companies. And it's going to provide welcome relief to small-business owners who too often have to choose between health care and hiring.

As—when we stopped over at Duff's to get our wings, one of the customers there was a woman who was a small-business owner. She had a courier service. And I asked her, "What's the biggest challenge you've got?" She said, "Trying to keep up health care for me and my workers." And she was appreciative that she's going to get a 35-percent tax break on her health care costs this year. And I told her that—[*applause*]*—*and over the next several years, we're setting up an exchange where she, as a small-business owner, is going to be able to buy into a big pool that all these Members of Congress are a part of, so with millions of members, that's going to give her more leverage with the insurance companies; that's going to drive down her costs. She offered me to have some of her wings as a consequence. [*Laughter*] I said I had already put in an order.

So all these steps have helped; they're going to help. But I believe we've got to do even more to give our small businesses a boost. And maybe the single most important thing we can do right now is to help ensure that creditworthy small-business owners can get the capital that they need.

So in my State of the Union Address, I called for a \$30 billion small-business lending fund that would help increase the flow of credit to small companies that were hit hard by the decline in lending that followed the financial crisis. And last week, I sent Congress this legislation, which now includes a new State small-business credit initiative, an initiative that will help expand lending for small businesses and manufacturers at a time when budget shortfalls are leading a lot of States to cut back on vitally important lending programs. And I've also asked Congress to work with us to extend and enhance SBA programs that have helped small-business owners get loans so they can create more jobs.

That's our small-business agenda; that's our jobs agenda: empowering small businesses so they can hire. Now, I hear a lot of noise from some of our friends out there that say, this is nothing more than big government. Now, I want everybody here to understand, I don't understand—I personally don't think that giving tax cuts to businesses is big government. I don't understand how helping businesses get loans so they can grow and hire more workers is big government.

I'm not interested in another debate about big government versus small government. I care about whether government's meeting its responsibilities to the people it represents. And I want to unleash the great power of our economy so Americans who are looking for work can find it. And I'm hopeful that our small-business agenda doesn't fall victim to the same partisanship that we've seen over the last year. Helping businesses to create jobs should be something that both parties can agree to.

Now, since this company was founded more than a decade ago, you've done all that's asked of Americans who hope to pursue the dream of owning their own business. I mean, you can just tell Dave's just got a lot of energy. You can tell the guy loves his business, he loves his employees. And what he did was he took a risk on a good idea, and then he worked hard for that success.

He's met his responsibilities to his employees and to his customers. Millions of small-business owners and workers across the country have met those same responsibilities. And now

it's time that responsibility—that same responsibility, that same success is rewarded with the opportunity to keep growing, keep hiring, keep contributing to the success of your communities and your country. That's the opportunity that we're providing today. That's the opportunity I will continue to fight for as your President in the weeks and the months ahead.

I want everybody here to know, in Buffalo and all across the country, we are on a course that is working. This company makes me want to double down and work even harder, because I'm absolutely confident that if we continue to take responsibility to invest in our future, that our brightest days are still ahead of us.

Thank you very much, everybody. Thank you. So—thank you. So—thank you, guys. Everybody can have a seat. So I've got time for a couple of questions. Yankees fan, right here.

Q. Mr. President—

*The President.* Well, hold on a second. We got a mike so everybody can hear you, even though I can tell you've got a decent voice. [Laughter] Introduce yourself, sir.

#### *Mass Transit Infrastructure Improvements/High-Speed Rail System*

Q. Frank Caparazzo, Depew, New York.

*The President.* Good to see you.

Q. Good to see you, sir. My question is, during your term of office, will Buffalo see the transit system improvement for this country arrive here in Buffalo?

*The President.* Well, it's a great question. And I know that the issue of infrastructure and transit, transportation is big here, but it's big all across the country. The Recovery Act that we put forward had one of the biggest investments in infrastructure since Eisenhower started the Interstate Highway System. But the backlog of work and projects that need to be done is so big that it's going to be a multiyear process that we've got to embark on.

My hope is that Democrats and Republicans working together are going to be able to find a long-term financing mechanism and that we start investing not just in highways, but also in mass transit, high-speed rail, and—especially along the eastern corridor—and, say, where I'm from, Chicago—where you've got Chicago, Detroit, Cleveland, St. Louis, Indianapolis, you've got all these cities that are pretty close by, that are a half-hour, 45-minute flight, but if you had a high-speed rail system, a lot of people would end up using the rail system instead of flying. It would be more convenient for a lot of folks, and you wouldn't have to take off your shoes. [Laughter]

It would be good for businesses, because if we're building infrastructure, that means companies like Dave potentially have new sources of business. It would be good for our environment, because one of the things, obviously, that we have to recognize is, is that no matter what we do, oil prices are going to be going up over the long term. I mean, year to year, they may vary. Sometimes it's four bucks a gallon at the pump, sometimes it drops back down to two and a half.

You're not always clear what's going on, but the long-term trend is up, just because countries like China, they're starting to buy cars, and countries like India are starting to buy cars, and so the demand on petroleum and fossil fuels are going to be greater and greater. We've got to get a first-class transit system. And we don't have one right now. We used to be at the top. Now you've got China, they're building multiple high-speed rail lines all across the country, leaving us behind.

But it's not just transit. It's our ports, our airports, our sewer systems, our water systems. We're going to have to figure out how do we make those kinds of long-term investments, but do so in a way that doesn't increase our deficit. And that's going to be a challenge, but I think it's going to be a priority.

Good question. And Yankees are doing pretty good right now, but you know I'm a White Sox fan, and we're going to come after you. *[Laughter]* We got started a little slow.

All right, I'm going to go boy, girl, boy, girl here. I want to make sure that folks know I'm fair.

Okay, hold on a second. Let's get the mike.

### *Health Care Reform*

Q. Thank you very much, Mr. President. About a month ago, Senator Hatch visited Buffalo, and it was right after the health care bill was passed, and he called it the "Europeanization of America," using it as a derogatory term. What do you make of this?

*The President.* Well, you know, first of all, Orrin Hatch is a gentleman. He was just visiting with me in the Oval Office, and I enjoy his company. This is sort of a reporter question, though, isn't it? This is a budding reporter. *[Laughter]*

There's been a lot of rhetoric floating around on this health care bill, so I'll just explain very simply what's in the bill, and then you can make your own judgments instead of us slapping labels on it. Here's what the health care bill does.

Number one, it's an insurance reform bill. And some of these insurance reforms are starting to take effect this year. So for example, one of the reforms ensures that all insurance companies have to let you keep your child on your health insurance up until 26 years old, because, as a lot of you know, when you leave college, sometimes getting that first job, you may not be able to get health insurance right away. And so we want to be able to make sure that those young people can stay insured until they get a job that has health insurance.

Another insurance reform is making sure that insurance companies can't drop you when you get sick, which is a practice, unfortunately, that happens to a lot of people.

Another insurance reform is making sure that you don't find yourself, after you've gotten sick, having hit what's called the lifetime limit, where, heaven forbid, you've got an illness that is really expensive, and you didn't—you missed the fine print that said at a certain point, the insurance companies stop paying. And so you go bankrupt anyway, even though you've been paying premiums all these years.

So a big chunk of health care reform is just insurance reform. That's number one.

Number two is what I mentioned already, which is tax credits to small businesses so that they can afford to either keep their employees' health insurance or they can start providing health insurance to employees that don't already have it. And for most small businesses, they're going to get up to a 35-percent tax break on their health insurance bills. And if you talk to small businesses, that's a big deal.

Number three, for people who don't have health insurance—and by the way, the majority of people who don't have health insurance are working people. Really poor folks who don't work, they're on Medicaid; they already have health insurance. It's working families and middle

class families and a lot of sole proprietors and small-business owners who don't have health insurance.

So what we're saying to them is, we are going to set up an exchange, which is basically a marketplace where you can buy your health insurance through this big exchange, and you'll be part of a big pool, which gives you better negotiating power with the insurance companies. That'll drive down your premiums. And if even with a better rate you still can't afford it, we are going to give you a tax credit to help you afford it. All right?

And finally—now, there are all kinds of other aspects of it in terms of encouraging prevention and funding prevention, but the other big piece of this is we want to work through the Medicare and the Medicaid system to figure out how do we start controlling costs. Because even if you tell the insurance companies, "You have to insure people with preexisting conditions, and you can't drop people when they get sick," and even if you allow people to buy through this exchange so it drives down their costs, if the underlying costs of health care keep on going up, then our costs are still going to go up. And so we've got to try to encourage the overall health care system to be smarter and use its money more effectively.

And I'll just give you one example that probably a lot of you have. Have you ever noticed that doctor's office is the only place where you still have to fill out forms, like, three, four times in a row? Well, part of it is just because every other part of our economy is computerized, but somehow, that's not true in our health care system.

So what we want to do, for example, is provide the incentives for hospitals and doctors and so forth to get electronic medical records. And we want to tell the doctors, you know what, instead of us reimbursing you every time you take a test—so you end up going to a—because of something wrong, you go to the doctor. You get one test, then he sends you to the specialist; you get another test. Then you go to the hospital; you get a third test. We want to—we're going to pay you for one test, and then e-mail it to everybody else. Those are the kinds of things that help to save money over the long term.

Now, we've got to try a bunch of different things in order for us to save money, but that is our basic approach.

So here's the bottom line to your question: If you've got health insurance that you're happy with, then you're going to keep it. Nothing—you don't have to do anything. The only thing that you're getting is the insurance company can't drop you if, for example, your child turns out to have a chronic condition. So it's giving you more security. If you don't have health insurance, we're building off the free market, off the existing system of private, employer-based insurance, and we're saying, this is going to give you a chance to get health insurance that's a little bit cheaper. I don't know what that's called. I just think it's a good idea. All right?

Okay, gentleman here had a question.

### *Tax Reform*

Q. I'm going to cheat with a two-part question here. What, if anything, I guess, other than political talk, is being done to eliminate the Alternative Minimum Tax? And what's the argument, if any, to just completely do away with the IRS and have a flat tax that's equitable for everyone?

*The President.* The—for those of you who don't know, the Alternative Minimum Tax is something that was instituted a while ago. And basically what happens is—the original concept was that people were using all these loopholes, and so some of the wealthiest Americans were

paying no taxes. And so the idea was, you know what, you get all these deductions, and as long as you're not abusing them for your home or your business expenses or what have you, you can take these itemized deductions. But if at a certain point, it leads somebody who's making a million dollars a year to pay no taxes at all, that's a problem. So we're going to have this alternative way of calculating your taxes to make sure that you at least pay the same thing as your secretary does or your receptionist does—a portion of your taxes.

Here's the problem: They didn't index it, meaning that they didn't make sure that the amount got adjusted each year so that it would take into account inflation. And so each year, what's happened is as inflation goes up, what—\$250,000 today obviously buys—doesn't buy the same thing as it bought 20 or 30 years ago, and so more and more families, first in the upper middle class, but starting to creep into the middle class, are being affected by this Alternative Minimum Tax.

To eliminate it, though, would create this huge hole in the budget. So what happens is each year, Congress slaps on what's called a patch to make sure that it doesn't affect too many middle class people. And so they appropriate \$50 billion a year at a time to close the hole. That was, by the way—part of the Recovery Act this year was—\$70 billion of the Recovery Act was just designed to make sure that the AMT didn't affect more people. But I think the point you're making is, why aren't we just solving this over the long term?

Now, that's true for a whole bunch of things in our tax system. And the truth of the matter is, is that we're going to have to spend the next couple of years making some very hard decisions in terms of getting our deficit and our debt under control. It's not going to be any fun. It's not going to be as painful as it will be if we put it off, but it's still going to be a little bit uncomfortable. It's like going through the family budget; you know, you started getting too many things you couldn't afford, and then you're going to have to start making some decisions.

We've—what I've done is I've put together a fiscal commission made up of Democrats and Republicans, as well as private sector folks, so that we've got some objective people on it. It's chaired by a former Senator, Alan Simpson, and Clinton's former Chief of Staff, Erskine Bowles. And their job is to report back to me and to Congress over the next—in the next 5, 6 months to give us a package of solutions to start getting the deficit more effectively under control. One of the things, I think, is going to be tax reform that they'll recommend. And that should include simplification, and it's got to make sure that it's more fair.

The main argument—and the last point I'll make on this—on the fair tax, the main argument that people make against the fair tax is right now we've got a progressive income tax. I made a lot of money last year because my book sold a lot, and so I wrote a really big check to Uncle Sam. My rate was higher than somebody who made \$40,000 a year. So we've got a progressive income tax, meaning that the more you make, the higher your tax rate goes, up until a certain amount.

Now, if you have a flat tax and everybody is—let's say everybody was—had a—was paying 10 percent. That means Warren Buffett's paying 10 percent. It means the construction worker's paying 10 percent. It means somebody who's got a minimum wage job is paying 10 percent. And the question is, does that 10 percent take a bigger bite out of the cashier at the supermarket than it does out of Warren Buffett? Because she's paying more of her income in food and rent and just basic necessities, and so does it make sense for Warren Buffett to be paying a little bit more?



In order to have a flat tax that was revenue-neutral, that didn't add to the deficit, it'd have to be a pretty substantial tax, but it would mean a huge tax break for Warren Buffett. And so the question is, is there a way of achieving simplification, but still having some element of progressivity and some element of fairness in the tax system? That's part of what makes it complicated.

I'll be honest with you, though, a lot of the complications in the IRS Tax Code, it just has to do with lobbying in Washington. And that aspect of it we've just got to eliminate. We've got to kind of clean house. We've got to take out a hose and just eliminate a lot of these tax loopholes that are out there. And I think we can do that.

All right, young lady right there.

*Small-Business Owner Outreach/Small Business Administration/Education*

Q. Mr. President, thank you for your leadership. My name is Sundra Ryce, and I'm the President and CEO of SLR Contracting & Service Company in Buffalo. We're general contractors. And I'm an 8(a) graduate of the SBA program. Thank you for bringing Ms. Mills with you today.

My question is for small businesses. Besides the tax cuts and the health care reform, are—is your administration looking to allocate any monies or any resources to the education for small-business owners? Because it's so important that we have the tools to become profitable businesses and also effective businesses, but education, I believe, is a key component, in addition to all of the wonderful things that your administration is doing now.

*The President.* Well, I think it's a great question. Let me break up the question into two parts. Number one is education for people who either want to start a business or have already started a business, because even if you've got a great idea, if you haven't started a business before, you might make mistakes, and it would be helpful if somebody was able to kind of show you the ropes. So part of what we want to do is to make sure that the SBA is providing effective technical training and help and advice to small businesses, even if they've already been pretty successful, maybe in order—they want to take it to the next level.

And Karen, I think, can share with you a whole host of technical assistance programs that the SBA has tried to set up on inventory controls and marketing and a whole host of other issues.

One of the things that—and I've talked to Karen about this—one of the things I want to do, though, is to get some of those good programs out into the community and a little more proactive. Because sometimes, all Federal Government agencies, they just kind of sit behind a desk waiting for you to find them. And I want them to find you. I want them to be going out and canvassing businesses and saying, you know what, here's what SBA can do for you. And then you can make a decision, is this something that would be helpful to you or not.

Now, the other issue, though, has to do with just our education system generally. I have to tell you that the economy is growing and we are moving, but if we are not able to train our people effectively over the next 10, 20, 30, 50 years, we will fall behind.

We used to have the best education system in the world, bar none. The truth of the matter is, is that these days, we can't really make that claim. We still have the best universities in the world. We've still got some of the best schools in the world. But if you look at our young people's average scores on math, on science, the critical subjects that are going to be key in order for us to be at the cutting edge technologically, we're kind of in the middle. In some

cases, we're kind of down at the bottom of the pack when it comes to developed countries, advanced countries.

And some of it's just numbers. I mean, look, we still produce more engineers per capita than China does. But China has over a billion people. So they can produce so much more in terms of engineers, Ph.D.s, computer scientists than we can. We've got to keep up. We've got to work.

That's why we've initiated—one of my top priorities as President has been to make sure that we're initiating education reform from top to bottom. It's not just money. So what we said to States was, you want some additional help for your schools? First of all, one of the things that the Recovery Act did was it prevented layoffs of teachers, including right here in Buffalo, because we helped plug State budgets and municipal budgets.

But then what we also said was, you want some extra money? Show us that you've got a reform plan that's going to work. Show us that you're keeping track of what your students are doing and you're setting high standards and you're making sure that those teachers are trained to meet—to help the students meet those standards and that you're looking after all children, not just those at the top, but those that are struggling as well. And we call it the Race to the Top. Instead of the race to the bottom, we want a race to the top. You got to show us that you're building excellence in your school system.

And then at the college level, what we've done is we've made student loans much more accessible. It used to be that student loans were going through banks and financial intermediaries, and they were taking out billions of dollars in profits. We cut out the middleman. We said, let's take that extra money and give it directly to students. And so we've hugely expanded Pell grants, lowered student loan rates, made them more accessible for young people all across Buffalo, all across America.

We've focused a lot on community colleges because—I'm looking at these great workers at this company, but if I wanted to get a job right now—I'll tell you a secret. You wouldn't want me on one of those machines in there. I'd cut off one of my fingers, and it'd make a mess—but let's say I wanted to get a job as a machine operator. Well, if I'm trying to transition into a new career, community colleges are a huge resource for us to be able to train young people to get the jobs that exist right now. And that saves Dave money so that he doesn't have to train somebody on the job. Dave can hook up with the community college, tell them, I will hire 5 guys or 10 guys, or he can work with other companies around the area and design a training program so that young people who go through it, they know there's a job out there when they get it. So we've been working a lot and putting more money into community colleges as a bridge.

Here's the point, though: We've got to make sure that our young people are trained and prepared for the future. I know Buffalo's a big hockey town, and I know that Gretzky wasn't your guy. But Gretzky—they used to say something wonderful about why Gretzky was so good, and it was because he didn't think about where the puck was, he thought about where the puck was going to be, right? And the same thing is true when it comes to our economy. We've got to be thinking, where are the jobs of the future? What are the needs of the future, whether it's in terms of transit, whether it's in terms of health care, whether it's in terms of education, business? What does—where is America going to be 10 years from now, 20 years from now?

We want to have the most efficient, cutting-edge private sector. And we want a Government that is lean and mean, but working effectively with you, not wasting your tax

dollars, but investing in those things that are going to be absolutely necessary for us to be competitive. And if we keep that vision in mind, even as we're making some tough decisions about the budget, even as we're making tough decisions around how to deal with our deficits, I'm confident that we're going to be able to come out with a stronger competitive posture, a better future than we've ever had before. All right? And that's going to be true right here in Buffalo as well.

Thank you, everybody. God bless you.

NOTE: The President spoke at 2:22 p.m. In his remarks, he referred to David P. Sullivan, founder and president, Industrial Support Inc.; Warren E. Buffett, chief executive officer and chairman, Berkshire Hathaway Inc.; and former National Hockey League player Wayne Gretzky.

*Categories:* Addresses and Remarks : Industrial Support Inc., remarks and a question-and-answer session in Buffalo, NY.

*Locations:* Buffalo, NY.

*Names:* Bowles, Erskine B.; Brown, Byron W.; Buffett, Warren E.; Caparazzo, Frank; Gretzky, Wayne; Hatch, Orrin G.; Higgins, Brian; Lee, Christopher J.; Mills, Karen G.; Puglisi, Richard F. "Rick," II; Puglisi, William R.; Ryce, Sundra L.; Simpson, Alan K.; Slaughter, Louise McIntosh; Sullivan, David P..

*Subjects:* Budget, Federal : Deficit; Budget, Federal : Deficit Reduction Commission; Budget, Federal : National debt; Business and industry : Automobile industry :: Strengthening efforts; Business and industry : Banks and financial institutions :: Loans to small businesses, increase; Business and industry : Credit freeze situation; Business and industry : Manufacturing industry :: Improvement; Business and industry : Small and minority businesses; Business and industry : Small-business lending fund, proposed; China : High-speed rail lines, development and expansion; Congress : Bipartisanship; Congress : Ethics reforms; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Economic concerns; Economy, national : Improvement; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Global competitiveness; Education : Postsecondary education :: Career training and continuing education; Education : Postsecondary education :: Community colleges; Education : Postsecondary education :: Pell grants; Education : Postsecondary education :: Student loans, elimination of subsidies to private providers; Education : Standards and school accountability; Education : Teachers; Education, Department of : Race to the Top Fund; Employment and unemployment : Hiring Incentives to Restore Employment Act; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Energy : Gasoline, oil, and natural gas costs; Environment : Carbon pollution; Health and medical care : Cost control reforms; Health and medical care : Employer-based health insurance coverage; Health and medical care : Health insurance exchange; Health and medical care : Health insurance reforms; Health and medical care : Information technology; Health and medical care : Insurance coverage and access to providers; Health and medical care : Medicare and Medicaid; Health and medical care : Patient Protection and Affordable Care Act; Health and medical care : Preventive care and public health programs; Health and medical care : Small businesses, tax credits to purchase insurance coverage; Health and medical care : Young adults, insurance coverage as dependents, age limit extension; Health Care and Education Reconciliation Act of 2010; New York : Duff's Famous Wings in Cheektowaga; New York : Economic concerns; New York :

Imperial Textile, Inc., in Buffalo; New York : Industrial Support Inc., in Buffalo; New York : President's visits; New York : Recession, effects; Small Business Administration : Administrator; Small Business Administration : Education and technical training programs for small-business owners; Taxation : Alternative Minimum Tax (AMT); Taxation : Tax Code :: Reform; Taxation : Tax relief; Transportation : High-speed rail lines, development and expansion; Transportation : Highway system, modernization efforts; Transportation : Mass transit and rail infrastructure, improvement efforts; Treasury, Department of the : Troubled Asset Relief Program.

*DCPD Number:* DCPD201000374.